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Walker Chandiook & Co LLP  
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## Independent Auditor's Report

To the Members of Maxcure Nutravedics Limited

Report on the Audit of Financial Statements

### Opinion

1. We have audited the accompanying financial statements of **Maxcure Nutravedics Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Information other than the Financial Statements and Auditor's Report thereon

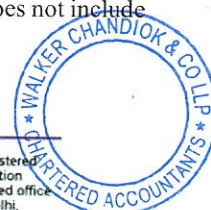
4. The Company's Board of Directors are responsible for the other information. Other information does not include the financial statements and our auditor's report thereon.

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Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India



# Walker Chandiook & Co LLP

## **Independent Auditor's Report to the members of Maxcure Nutravedics Limited on the financial statements for the year ended 31 March 2024 (cont'd)**

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. The Director's report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

### **Responsibilities of Management for the Financial Statements**

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

**Chartered Accountants**



# Walker Chandiook & Co LLP

## Independent Auditor's Report to the members of Maxcure Nutravedics Limited on the financial statements for the year ended 31 March 2024 (cont'd)

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Report on Other Legal and Regulatory Requirements

11. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
12. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
13. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in paragraph 13(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
  - c) The financial statements dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
  - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act;
  - f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 13(b) above on reporting under section 143(3)(b) of the Act and paragraph 13(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
  - g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate report in Annexure II wherein we have expressed an unmodified opinion; and



# Walker Chandiook & Co LLP

## Independent Auditor's Report to the members of Maxcure Nutravedics Limited on the financial statements for the year ended 31 March 2024 (cont'd)

- h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company, as detailed in note 33 to the financial statement, has disclosed the impact of pending litigation on its financial position as at 31 March 2024;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024;
  - iv.
    - a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 47(e) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
    - b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 47(f) to the financial statements, no funds have been received by the Company from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
  - v. The Company has not declared or paid any dividend during the year ended 31 March 2024.
  - vi. As stated in Note 46 to the financial statements and based on our examination which included test checks, except for instances mentioned below, the Company, in respect of financial year commencing on 1 April 2023, have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exceptions given below:

Nature of exception noted	Details of Exception
Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software.	The audit trail feature was not enabled at the database level for accounting software to log any direct data changes, used for maintenance of all accounting records by the Company.



# Walker Chandiook & Co LLP

## Independent Auditor's Report to the members of Maxcure Nutravedics Limited on the financial statements for the year ended 31 March 2024 (cont'd)

<p>Instances of accounting software maintained by a third party where we are unable to comment on the audit trail feature</p>	<p>The accounting software used for maintenance of payroll records of the Company which is operated by a third-party software service provider. In the absence of any information on existence of audit trail (edit logs) for any direct changes made at the database level in the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information), we are unable to comment on whether audit trail feature with respect to the database level of the said software was enabled and operated throughout the year.</p>
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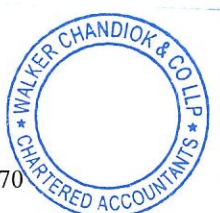
For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

  
**Rahul Kool**

Partner

Membership No.: 425393

UDIN: 24425393BKJLOG4770



**Place:** New Delhi

**Date:** 28 May 2024

# Walker Chandiook & Co LLP

## **Annexure I referred to in paragraph 12 of the Independent Auditor's Report of even date to the members of Maxcure Nutravedics Limited on the financial statements for the year ended 31 March 2024**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification programme adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in Note 2a to the financial statements, are held in the name of the Company.
- (d) The Company has adopted cost model for its Property, Plant and Equipment (including right-of-use assets) and intangible assets. Accordingly, reporting under clause 3(i)(d) of the Companies (Auditor's Report) Order, 2020 (hereinafter referred to as 'the Order') is not applicable to the Company.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records and in respect of goods-in-transit, these have been confirmed from corresponding receipt and/or dispatch inventory records.
- (b) As disclosed in Note 16 to the financial statements, the Company has been sanctioned a working capital limit in excess of Rs. 50.00 million, by banks based on the security of current assets. The quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks and such returns/statements are in agreement with the books of account of the Company for the respective periods, which were not subject to audit/review.
- (iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

**Chartered Accountants**



**Annexure I referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Maxcure Nutravedics Limited on the financial statements for the year ended 31 March 2024 (cont'd)**

- (vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiary Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit.

**Chartered Accountants**



**Annexure I referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Maxcure Nutravedics Limited on the financial statements for the year ended 31 March 2024 (cont'd)**

- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements etc., as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.
- (d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

**Chartered Accountants**

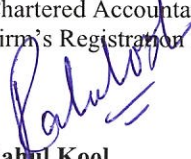




**Annexure I referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Maxcure Nutravedics Limited on the financial statements for the year ended 31 March 2024 (cont'd)**

- (xx) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

  
**Rahul Kool**  
Partner  
Membership No.: 425393  
UDIN: 24425393BKJLOG4776



**Place:** New Delhi  
**Date:** 28 May 2024

# Walker Chandiook & Co LLP

Annexure II to the Independent Auditor's Report of even date to the members of Maxcure Nutravedics Limited on the financial statements for the year ended 31 March 2024

## **Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the financial statements of Maxcure Nutravedics Limited ('the Company') as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

### **Responsibilities of Management for Internal Financial Controls**

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statement criteria established by the Company considering the essential component of internal control stated in Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

### **Meaning of Internal Financial Controls with Reference to Financial Statements**

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



# Walker Chandiook & Co LLP

Annexure II to the Independent Auditor's Report of even date to the members of Maxcure Nutravedics Limited on the financial statements for the year ended 31 March 2024 (cont'd)

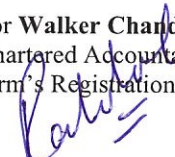
## Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

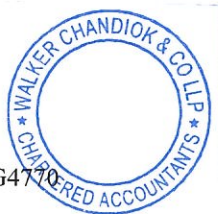
7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

  
**Rahul Kool**  
Partner  
Membership No.: 425393



UDIN: 24425393BKJLOG4770

Place: New Delhi  
Date: 28 May 2024

**MAXCURE NUTRAVEDICS LIMITED**  
**CIN- U74899DL1994PLC057323**  
**Balance sheet as at 31 March 2024**  
*(All amounts in ₹ million unless otherwise stated)*

Particulars	Note	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	2a	334.02	308.27
(b) Right-of- use assets	43	34.38	40.37
(c) Capital work-in-progress	2b	0.44	21.13
(d) Intangible assets	2a	-	-
(e) Financial assets			
(i) Investments	3	-	-
(ii) Others financial assets	4	13.22	12.00
(f) Non-current tax assets (net)	5	18.94	6.18
(g) Other non current assets	6	1.12	2.97
<b>Total non-current assets</b>		<b>402.12</b>	<b>390.92</b>
<b>(2) Current assets</b>			
(a) Inventories	7	583.51	677.67
(b) Financial assets			
(i) Trade receivables	8	931.56	1,599.08
(ii) Cash and cash equivalents	9	230.31	37.13
(c) Other current assets	10	96.17	128.10
<b>Total current assets</b>		<b>1,841.55</b>	<b>2,441.98</b>
<b>Total assets</b>		<b>2,243.67</b>	<b>2,832.90</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	11	0.50	0.50
(b) Other equity	12	1,146.44	956.35
<b>Total equity</b>		<b>1,146.94</b>	<b>956.85</b>
<b>LIABILITIES</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16	41.94	1.03
(ii) Lease liabilities	43	13.33	18.69
(iii) Other financial liabilities	13	12.99	14.14
(b) Provisions	14	14.85	12.52
(c) Deferred tax liabilities (net)	15	0.20	16.31
<b>Total non-current liabilities</b>		<b>83.31</b>	<b>62.69</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16	250.27	370.46
(ii) Trade payables	17		
(A) Total outstanding dues to micro and small enterprises		27.41	31.92
(B) Total outstanding dues of creditors other than micro and small enterprises		682.76	1,364.73
(iii) Lease liability	43	5.36	4.43
(iv) Other financial liabilities	18	33.51	24.16
(b) Other current liabilities	19	8.13	16.05
(c) Provisions	20	5.98	0.82
(d) Current tax liabilities (net)	21	-	0.79
<b>Total current liabilities</b>		<b>1,013.42</b>	<b>1,813.36</b>
<b>Total equity and liabilities</b>		<b>2,243.67</b>	<b>2,832.90</b>

Summary of the material accounting policies and other explanatory information

1-47

This is the balance sheet referred to in our report of even date

**For Walker Chandiook & Co**  
Chartered Accountants  
Firm Registration No.001076N/N500013

**Rahul Kool**  
Partner  
Membership No.425393

Place: **DELHI**  
Date: **28 MAY, 2024**



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For and on behalf of Board of Directors of  
**Maxcure Nutravedics Limited**

**K.D. Sharma**  
Director  
DIN: 02942552

Place: Haridwar  
Date: 28 May 2024

**Rohit**  
Director  
DIN: 06724730



**MAXCURE NUTRAVEDICS LIMITED**

CIN- U74899DL1994PLC057323

**Statement of profit and loss for the year ended 31 March 2024***(All amounts in ₹ million unless otherwise stated)*

Particulars	Note	Year ended 31 March 2024	Year ended 31 March 2023
<b>INCOME</b>			
<b>I</b> Revenue from operations	22	7,317.23	6,516.04
<b>II</b> Other income	23	40.40	16.95
<b>III</b> Total income (I+II)		<u>7,357.63</u>	<u>6,532.99</u>
<b>EXPENSES</b>			
Cost of materials consumed		862.02	875.97
Purchase of stock-in-trade		5,757.56	4,996.67
Change in inventories of finished goods, stock-in-trade and work-in-progress	24	19.23	17.93
Employee benefits expense	25	260.03	225.66
Finance costs	27	80.25	91.86
Depreciation and amortisation	2 & 43	40.77	34.78
Other expenses	26	161.15	209.55
<b>IV</b> Total expenses		<u>7,181.01</u>	<u>6,452.42</u>
<b>V</b> Profit before tax (III - IV)		<u>176.62</u>	<u>80.58</u>
<b>VI</b> Tax expense:	39		
Current income-tax			
Current year		-	21.88
Previous year		(0.04)	0.17
Deferred tax (credit)		(15.43)	(1.22)
<b>Total tax expenses</b>		<u>(15.47)</u>	<u>20.83</u>
<b>VII</b> Profit after tax (V-VI)		<u>192.09</u>	<u>59.75</u>
<b>VIII</b> Other comprehensive income			
Items that will not be reclassified to profit and loss			
Re-measurement gains/(loss) on defined benefit liability		(2.67)	1.34
Less: Tax effect on above		0.67	(0.34)
<b>Other comprehensive income/ (loss), net of tax</b>		<u>(2.00)</u>	<u>1.00</u>
<b>IX</b> Total comprehensive income (VII + VIII) (comprising of profit for the year and other comprehensive income for the year)		<u>190.09</u>	<u>60.75</u>
<b>X</b> Earnings per equity share			
(Face value ₹ 10 (31 March 2023: ₹ 10) each)			
Basic and diluted	28	3,841.75	1,194.94

Summary of the material accounting policies and other explanatory information 1-47

This is the statement of profit and loss referred to in our report of even date

**For Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm Registration No.001076N/N500013

**Rahul Kool**  
Partner  
Membership No.425393



Place : **DELHI**  
Date : **28 MAY, 2024**

For and on behalf of Board of Directors of  
**Maxcure Nutravedics Limited**

**K.D. Sharma**  
Director  
DIN: 02942552

**Rohitaswa**  
Director  
DIN: 06724730



Place : Haridwar  
Date : 28 May 2024

**MAXCURE NUTRAVEDICS LIMITED**  
**CIN- U74899DL1994PLC057323**

**Statement of change in equity for the year ended 31 March 2024**

*(All amounts in ₹ million unless otherwise stated)*

**a) Equity share capital**

Particulars	No. of shares	Amount
As at 1 April 2022	50,000	0.50
Changes in equity share capital	-	-
As at 31 March 2023	50,000	0.50
As at 1 April 2023	50,000	0.50
Changes in equity share capital	-	-
As at 31 March 2024	50,000	0.50

**b) Other equity**

Particulars	Other equity	
	Retained earnings	Total
As at 1 April 2022	895.60	895.60
Other comprehensive income for the year, net of tax		
- Remeasurement of defined benefit plans	1.00	1.00
Profit for the year	59.75	59.75
<b>Total comprehensive income for the year</b>	<b>60.75</b>	<b>60.75</b>
As at 31 March 2023	956.35	956.35
Other comprehensive income for the year, net of tax		
- Remeasurement of defined benefit plans	(2.00)	(2.00)
Profit for the year	192.09	192.09
<b>Total comprehensive income for the year</b>	<b>190.09</b>	<b>190.09</b>
As at 31 March 2024	1,146.44	1,146.44

Summary of the material accounting policies and other explanatory information

1-47

This is the statement of change in equity referred to in our report of even date

**For Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm Registration No.001076N/N500013

For and on behalf of Board of Directors of  
**Maxcure Nutravedics Limited**

*Rahul Kool*

**Rahul Kool**  
Partner  
Membership No.425393



*K.D. Sharma*

**K.D. Sharma**  
Director  
DIN: 02942552

*Rohitaswa*

**Rohitaswa**  
Director  
DIN: 06724730



Place : DELHI  
Date : 28 MAY, 2024

Place : Haridwar  
Date : 28 May 2024

## MAXCURE NUTRAVEDICS LIMITED

CIN- U74899DL1994PLC057323

## Statement of cash flows for the year ended 31 March 2024

(All amounts in ₹ million unless otherwise stated)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>A. Cash flow from operating activities</b>		
Profit before tax		
Adjustments for:	176.62	80.58
Depreciation and amortisation		
Finance costs	40.77	34.78
Interest income	80.25	91.86
Bad debts	(1.63)	-
Allowance for expected credit loss	0.16	0.33
<b>Operating profit before working capital changes</b>	2.38	(0.09)
	<b>298.55</b>	<b>207.46</b>
<b>Adjustments for movement in working capital changes</b>		
Inventories		
Trade receivables	94.16	(49.76)
Other financial assets-non current	664.98	555.94
Other assets	(1.22)	(3.08)
Trade payables	32.04	(22.56)
Other liabilities	(686.48)	455.86
Other financial liabilities	(7.92)	4.98
Provisions	9.29	12.64
<b>Cash flow generated from operations (gross)</b>	4.82	2.72
Direct taxes paid	408.22	1,164.20
<b>Net cash flow generated from operating activities (A)</b>	(13.94)	9.92
	<b>394.28</b>	<b>1,174.12</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment and intangible assets (including capital work-in-progress, capital advances and payable towards property, plant and equipment)	(39.35)	(95.68)
Proceeds from sale of property plant and equipment		
Interest received	0.15	0.18
<b>Net cash (used in) investing activities (B)</b>	1.63	-
	<b>(37.57)</b>	<b>(95.50)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from non-current borrowings	7,806.41	5,535.73
Repayments from non-current borrowings	(7,765.50)	(6,230.50)
Proceeds/ (repayment) of current borrowings (net)	(120.19)	(265.39)
Payment of lease liabilities	(5.91)	(5.37)
Interest paid	(78.34)	(90.10)
<b>Net cash flow (used in) financing activities (C)</b>	(163.53)	(1,055.63)
<b>Net increase in cash and cash equivalents (A+B+C)</b>	193.18	22.99
Cash and cash equivalents as at the beginning of the year	37.13	14.14
<b>Cash and cash equivalents as at end of year</b>	<b>230.31</b>	<b>37.13</b>

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**MAXCURE NUTRAVEDICS LIMITED**

CIN- U74899DL1994PLC057323

**Statement of cash flows for the year ended 31 March 2024**

(All amounts in ₹ million unless otherwise stated)

Components of cash and cash equivalent are as below:

	As at 31 March 2024	As at 31 March 2023
Balance with scheduled banks in current accounts	229.67	37.04
Cash on hand	0.64	0.09
	<b>230.31</b>	<b>37.13</b>

Note 1: The above cash flow statement has been prepared under the 'indirect method' as set out in Ind AS 7, 'Statement of cash flows'.

Note 2: Disclosures as required in terms of Amendment to Ind AS 7 'Statement of cash flows' related to the change in financial liabilities arising from financing

Particulars	Lease liabilities	Current borrowings	Non-current borrowings	Total
<b>Net debt as on 1 April 2022</b>	26.73	635.85	695.80	1,358.38
Cash flows				
Repayments	(5.37)	(265.39)	(6,230.50)	(6,501.26)
Proceeds	-	-	5,535.73	5,535.73
<b>Non cash items</b>				
Interest on lease payment	1.77	-	-	1.77
<b>Balance as on 31 March 2023/01 April 2023</b>	<b>23.12</b>	<b>370.46</b>	<b>1.03</b>	<b>394.61</b>
Cash flows				
Proceeds	-	-	7,806.41	7,806.41
Repayments	(5.91)	(120.19)	(7,765.50)	(7,891.60)
<b>Non cash items</b>				
Interest on lease payment	1.48	-	-	1.48
<b>Balance as on 31 March 2024</b>	<b>18.69</b>	<b>250.27</b>	<b>41.94</b>	<b>310.90</b>

Summary of the material accounting policies and other explanatory information

1-47


This is the statement of cash flows referred to in our report of even date

For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm Registration No.001076N/N500013

For and on behalf of Board of Directors of  
Maxcure Nutravedics Limited

  
**Rahul Kool**  
Partner  
Membership No.425393



  
**K.D. Sharma**  
Director  
DIN: 02942552

  
**Rohitaswa**  
Director  
DIN: 06724730



Place : DELHI  
Date : 28 MAY, 2024

Place : Haridwar  
Date : 28 May 2024



**1 Company overview and summary of material accounting policies**

**1.1 Company overview**

The Company is engaged in manufacturing and trading of Pharmaceutical products. The Company follows a business model of contract manufacturing i.e. goods manufactured for other customers under their brand names. The Company is a limited Company incorporated and domiciled in India and has its registered office at Unit 101, Plot no.4, First floor, Mohan place LSC, C-Bloack, Saraswati Vihar, Delhi 110034, India. The Company is wholly owned subsidiary of Akums Drugs and Pharmaceuticals Limited.

The Financial Statements for the year ended 31 March 2024 were authorized for issue in accordance with a resolution of the Board of Directors on 28 May 2024.

**1.2 Basis of preparation**

The accounting policies followed in preparation of the financial statements are consistent with those followed in the most recent annual financial statements of the Company. The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 ("Act") read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The Financial Statements have been prepared under the historical cost convention basis except for certain financial assets and liabilities which are measured at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Financial Statements of the Company are presented in Indian Rupees (₹), which is also its functional currency and all amounts disclosed in the financial statements and notes have been rounded off to the nearest two decimals in million as per the requirement of Schedule III to the Act, unless otherwise stated. The financial statements are prepared on accrual basis.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The Company has prepared the Financial Statements on the basis that it will continue to operate as a going concern.

**Overall considerations**

The Financial Statements have been prepared using the significant accounting policies and measurement bases summarised below. These accounting policies have been used throughout all periods, if any, presented in the Financial Statements.

**Standards issued but not yet effective**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended 31 March 2024, MCA has not notified new standards or amendments to the existing standards applicable to the Company.

**New and amended standard adopted by the Company**

The Ministry of Corporate Affairs vide notification dated 31 March 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1 April 2023:

- Disclosure of accounting policies - amendments to Ind AS 1
- Definition of accounting estimates - amendments to Ind AS 8
- Deferred tax related to assets and liabilities arising from a single transaction - amendments to Ind AS 12

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

**1.3 Use of judgment, estimates and assumptions**

The preparation of Financial Statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and other comprehensive income (OCI) that are reported and disclosed in the Financial Statements and accompanying notes. Accounting estimates could change from period to period. Actual results may differ from these estimates.

**Judgements, estimates and assumptions**

These estimates and judgment are based on the management's best knowledge of current events, historical experience, actions that the Company may undertake in the future and on various other estimates and judgments that are believed to be reasonable under the circumstances. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. The judgements and key assumptions concerning the future and other key sources for estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period, are described below.

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**Material management judgement in applying accounting policies and estimation uncertainty**

- a) **Recognition of deferred tax assets/liability** - The extent to which deferred tax assets/liabilities can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets/liabilities can be utilised/adjusted.
- b) **Provisions and contingent liabilities** – The Company is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Company often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the circumstances, when the outcome is not probable, company accounts for that as a contingent liability.
- c) **Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.
- d) **Useful lives of depreciable/amortisable assets** – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of Company’s assets.
- e) **Employee benefits** – Management’s estimate of the employee benefits is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the employee benefits amount and the annual defined benefit expenses.
- f) **Measurement of Expected Credit Loss (“ECL”) allowance for trade receivables:** The Company has considered current and anticipated future economic conditions relating to the countries where it operates. In calculating expected credit loss, the Company has also considered other related credit information for its customers to estimate the probability of default in future and has taken into account estimates. Moreover, trade receivables are provided and written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances.

**1.4 Property, plant and equipment****Recognition and initial measurement**

Property, plant and equipment are stated at their cost of acquisition. The cost comprises the purchase price and any attributable costs of bringing the asset to its working condition for its intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

**Subsequent measurement (depreciation and useful lives)**

Depreciation on property, plant and equipment is provided on the straight line method. The following useful life of assets has been taken by the Company:

Asset class:	Useful Lives
Buildings	30 years
Plant and equipments	15 years
Furniture and fittings	10 years
Vehicles	8/10 years
Office equipments	5 years
Computers	3/6 years
Research and development equipments	10 years
Electrical Installations	10 years

The residual values, useful lives and method of depreciation are reviewed at each reporting period end and adjusted prospectively, if appropriate.

Where, during any reporting period, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under ‘capital work-in-progress’.

**De-recognition**

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

**1.5 Intangible assets****Recognition and initial measurement**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

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**Subsequent measurement (amortisation)**

All intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The cost thereof is amortised over a period of 4- 5 years. The amortisation period and the amortisation method for intangible assets are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Revenue expenditure on research is recognised as expense in the period/ year in which it is incurred and are included with the respective nature of account heads in the statement of profit and loss.

Capital expenditure on research is shown as addition to property, plant and equipments and depreciation is computed in a manner prescribed for property, plant and equipments.

**De-recognition**

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

**1.6 Financial instruments**

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

If the Company determines that the fair value at initial recognition differs from the transaction price, the Company accounts for that instrument at that date as follows:

- at the measurement basis mentioned above if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets. The Company recognises the difference between the fair value at initial recognition and the transaction price as a gain or loss.
- in all other cases, at the measurement basis mentioned above, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Company recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent measurement of financial assets and financial liabilities is described below.

**Non-derivative financial assets**

*Classification and subsequent measurement*

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

**(i) Financial assets at amortised cost** – a financial instrument is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

**(ii) Financial assets at fair value**

**De-recognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

**Non-Derivative financial liability:-**

**Subsequent measurement**

After initial recognition, the financial liabilities are subsequently measured at amortised cost using the effective interest method (EIR).

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are integral part of the EIR. The effect of EIR amortisation is included as finance cost in the statement of profit and loss.

**De-recognition of financial liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Statement of Profit and Loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.



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**1.7 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial results are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the Financial Statements on a recurring basis, Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

For the purpose of fair value disclosures, Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**1.8 Impairment of financial assets**

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets carried at amortised cost.

ECL is the weighted average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

**Trade receivables**

The Company assesses impairment based on expected credit losses (ECL) model for measurement and recognition of impairment loss, the calculation of which is based on historical data, on the financial assets that are trade receivables or contract revenue receivables and all lease receivables.

The Company writes off trade receivables after it is established beyond doubt that the account is uncollectible. Financial assets that are written-off are still subject to enforcement activity by the Company.

**Other financial assets**

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

**1.9 Impairment of non-financial assets**

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed which is the higher of fair value less costs of disposal and value-in-use and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. Impairment losses previously recognised are accordingly reversed in the statement of profit and loss.

To determine value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the company latest approved budget, adjusted as necessary to exclude the effects of future re-organisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessment of the time value of money and asset-specific risk factors.



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**1.10 Provisions, contingent liabilities and contingent assets**

Provisions are recognised only when there is a present obligation, as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When provisions are discounted, the increase in the provision due to the passage of time is recognised as a finance cost.

*Contingent liability is disclosed for:*

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

**1.11 Operating expenses**

Operating expenses are recognised in statement of profit or loss upon utilisation of the service or as incurred.

**1.12 Foreign currency transactions and translations****i. Initial recognition**

The Company's Financial Statements are presented in Indian Rupee ('INR'), which is also the Company's functional currency. Transactions in foreign currencies are recorded on initial recognition in the functional currency at the exchange rates prevailing on the date of the transaction.

**ii. Measurement at the balance sheet date**

Foreign currency monetary items of the Company, outstanding at the balance sheet date are at the year-end rates. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

**iii. Treatment of exchange difference**

Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

**1.13 Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**1.14 Taxes****Current Income Tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted in India, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

The Company's ability to recover the deferred tax assets is assessed by the management at the close of each reporting period which depends upon the forecasts of the future results and taxable profits that Company expects to earn within the period by which such brought forward losses may be adjusted against the taxable profits as governed by the Income-tax Act, 1961. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

**1.15 Employee benefits**

The Company provides post-employment benefits through various defined contribution and defined benefit plans:

**Defined contribution plans**

The Company's contribution to provident fund and pension fund is considered as defined contribution plan and is charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees. The Company has no legal or constructive obligation to pay contribution in addition to its fixed contribution.



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*Defined benefit plans - unfunded*

The Company operates a gratuity plan wherein every employee is entitled to the benefit. Gratuity is payable to all eligible employees (who have completed 5 years or more of service) of the Company on retirement, separation, death or permanent disablement, in terms of the provisions of the Payments of Gratuity Act, 1972.

Gratuity is post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in the financial statements in respect of gratuity is the present value of the defined benefit obligation at the reporting date, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated at or near the reporting date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of OCI in the year in which such gains or losses are determined.

*Other long-term employee benefits - compensated absences*

Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of profit & loss in the year in which such gains or losses are determined.

*Short-term employee benefits*

All employee benefits payable wholly within twelve months of rendering services (such as, salaries, wages, short-term compensated absences, performance incentives, expected cost of bonus, ex-gratia, etc.) are classified as short-term employee benefits. Expense in respect of short-term employee benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

**1.16 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Cash and Cash Equivalents for the purposes of cash flow statement comprise cash at bank and in hand and bank deposit with banks where original maturity is three months or less.

**1.17 Valuation of inventories**

Inventories include raw material, stock-in-trade, stores and spares, finished goods, work in progress and packing material.

Inventories are stated at lower of cost or net realisable value. The cost in respect of the various items of inventory is computed as under:

(i) Raw materials and packing materials and stock-in-trade are valued at lower of cost or net realisable value. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. The cost includes direct expenses and is determined on the basis of weighted average method.

(ii) Stores and spares - at cost or net realisable value, whichever is less. Cost is computed on weighted average basis.

(iii) Work in progress - includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads as applicable and other costs incurred in bringing the inventories to their present location and condition.

(iv) Finished goods - includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads as applicable and other costs incurred in bringing the inventories to their present location and condition.

For the goods which are received subsequent to balance sheet date but for which the Company is obliged to pay, the Company books those as goods in transit.

Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses. Provision for expired stock and slow moving inventory is made based on management's best estimates of net realisable value of such inventories.

**1.18 Revenue recognition**

Ind AS 115 five step model is used to determine whether revenue should be recognised at a point in time or over time, and at what amount is as below:

- Step 1: Identify the contract with the customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue is recognised upon transfer of control of promised goods or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer (usually on dispatch of the goods from the factory) which coincides with the performance obligation under the contract with the customer.

- Revenue from services is recognized in accordance with the terms of contract when the services are rendered and the related costs are incurred.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, price concessions and incentives, if any, as specified in the contract with the customer.

Revenue also excludes goods and service tax (GST) collected from customers, since GST not received by the Company on its own account. Rather, it is collected tax on value added to the commodity/services by the seller, on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Accordingly, it is excluded from revenue. Revenue from the sale of goods is net of returns.



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**1.19 Other income**

Other income is comprised primarily of interest income, exchange gain/loss on translation of monetary assets and liabilities and insurance claim etc.

**Interest**

Interest income is recognised as and when due on the time proportion basis by using effective interest method. Interest income is included under the head "other income" in the Statement of Profit and Loss.

**1.20 Borrowings costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**1.21 Leases**

**The Company as a lessee**

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated amortisation and impairment losses, if any.

Right-of-use assets are amortised from the commencement date on a straight-line basis over the shorter of the lease term or useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment as to whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**1.22 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company operates in a single segment of production of pharmaceuticals and relevant disclosure requirements as per Ind AS 108 "Operating Segments" have been disclosed by the Company under note no 40.

The board of directors of the Company has been identified as being the chief operating decision maker by the management of the Company.

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Summary of the material accounting policies and other explanatory information for the year ended 31 March 2024  
(All amounts in ₹ million unless otherwise stated)

2a. Property, plant and equipment and intangible assets

Particulars	Property, plant and equipment							Total	Intangible assets
	Buildings	Plant and equipments	Furniture and fittings	Vehicles	Office Equipments	Computers	Research and development equipments		Electrical Installation
<b>Gross block</b>									
As at 01 April 2022	112.81	247.49	8.15	3.62	6.20	6.09	26.24	31.33	441.94
Additions during the year	1.93	61.41	1.85	1.32	0.71	1.15	3.67	5.92	77.96
Disposals/ adjustments	-	(3.27)	(0.04)	-	(0.07)	-	(0.17)	-	(3.55)
<b>Balance as at 31 March 2023</b>	<b>114.74</b>	<b>305.63</b>	<b>9.96</b>	<b>4.94</b>	<b>6.84</b>	<b>7.24</b>	<b>29.74</b>	<b>37.25</b>	<b>516.35</b>
Additions during the year	1.47	51.32	0.55	-	0.29	0.38	5.20	1.48	60.69
Disposals/ adjustments	-	(0.42)	-	-	-	(0.36)	-	-	(0.78)
<b>Balance as at 31 March 2024</b>	<b>116.21</b>	<b>356.53</b>	<b>10.51</b>	<b>4.94</b>	<b>7.13</b>	<b>7.26</b>	<b>34.94</b>	<b>38.73</b>	<b>576.25</b>
<b>Accumulated Depreciation and amortisation</b>									
As at 01 April 2022	27.13	103.65	4.32	0.58	3.96	3.92	16.79	21.50	181.83
Charge for the year	3.64	17.78	0.91	0.51	0.80	1.32	2.20	1.62	28.78
On disposals	-	(2.27)	(0.03)	-	(0.07)	-	(0.16)	-	(2.53)
<b>Balance as at 31 March 2023</b>	<b>30.77</b>	<b>119.16</b>	<b>5.20</b>	<b>1.09</b>	<b>4.69</b>	<b>5.24</b>	<b>18.83</b>	<b>23.12</b>	<b>208.08</b>
Charge for the year	3.70	23.67	0.77	0.58	0.69	0.92	2.24	2.21	34.78
On disposals/ adjustments	-	(0.29)	-	-	-	(0.34)	-	-	(0.63)
<b>Balance as at 31 March 2024</b>	<b>34.47</b>	<b>142.54</b>	<b>5.97</b>	<b>1.67</b>	<b>5.38</b>	<b>5.82</b>	<b>21.07</b>	<b>25.53</b>	<b>242.23</b>
<b>Net block</b>									
As at 31 March 2023	83.96	186.47	4.76	3.85	2.15	2.00	10.91	14.13	308.27
As at 31 March 2024	81.74	213.99	4.54	3.27	1.75	1.44	13.87	13.40	334.02

Note:

1. Refer note 29 for information on property, plant and equipment pledged as security by the Company.
2. Refer note 31 for disclosures of contractual commitments for the acquisition of property, plant and equipment.
3. Title deeds of all the immovable property held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are in the name of the Company.

2b. Ageing of capital work-in-progress

The table below analyse the capital work-in-progress ageing:

Particulars	Amount in CWIP for a period of:			Total
	Less than 1 year	1-2 years	2-3 years	
Buildings	0.16	-	-	0.16
Plant and equipments	0.28	-	-	0.28
	<b>0.44</b>	<b>-</b>	<b>-</b>	<b>0.44</b>
<b>31 March 2023</b>				
Particulars	Amount in CWIP for a period of:			Total
	Less than 1 year	1-2 years	More than 3 years	
Electrical equipments	1.00	-	-	1.00
Plant and equipments	20.13	-	-	20.13
	<b>21.13</b>	<b>-</b>	<b>-</b>	<b>21.13</b>

Note: None of the projects as at period end or at the preceding period have exceeded the cost initially planned or whose completion is overdue.



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**MAXCURE NUTRAVEDICS LIMITED**

CIN- U74899DL1994PLC057323

Summary of the material accounting policies and other explanatory information for the year ended 31 March 2024

(All amounts in ₹ million unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>3. Investments</b>		
<b>A. Investments in equity instrument</b>		
<b>Investment in subsidiary (measured at cost), Unquoted, Trade</b>		
Medibox Pharma Private Limited (formerly known as Medibox Digital Solutions Private Limited)		
231,172 equity shares (31 March 2023: 231,172) of ₹ 10 (31 March 2023: ₹ 10) each fully paid	240.00	240.00
Less: Provision for diminution in long-term investments	-	(240.00)
Less: Write off for diminution in long-term investments	(240.00)	-
	-	-
Aggregate amount of unquoted investments	-	-
Aggregate amount of provision for diminution in investments	-	240.00
<b>4. Other financial assets</b>		
<b>Unsecured, considered good</b>		
Security deposits	12.72	11.50
Bank deposits with remaining maturity of more than 12 months*	0.50	0.50
	13.22	12.00
*pledged with bank and government authorities		
Refer note 37 for disclosure of fair value in respect of financial assets		
<b>5. Non-current tax assets (net)</b>		
Advance tax (net of provisions)	18.94	6.18
	18.94	6.18
<b>6. Other non-current assets</b>		
<b>Unsecured, considered good</b>		
Capital advances	0.76	2.50
Other receivable	0.36	0.47
	1.12	2.97
<b>7. Inventories</b>		
(refer note 1.17 in respect of mode of valuation of inventories)		
Raw materials		
on hand	198.21	269.44
in transit	4.81	2.40
Packing materials		
on hand	36.06	43.00
in transit	1.12	0.15
Work-in-progress	14.61	12.77
Finished goods	22.95	18.25
Stock-in-trade		
on hand	260.35	311.67
in transit	36.78	11.23
Stores and spares		
on hand	8.36	8.76
in transit	0.26	-
	583.51	677.67

Refer note 29 for information on Inventory pledged as security by the Company.




**MAXCURE NUTRAVEDICS LIMITED**

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Summary of the material accounting policies and other explanatory information for the year ended 31 March 2024

(All amounts in ₹ million unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>8. Trade receivables</b>		
Considered good - unsecured	931.56	1,599.08
Credit impaired	3.30	0.92
Less : Allowance for expected credit losses	(3.30)	(0.92)
	<u>931.56</u>	<u>1,599.08</u>
Due from related parties (refer note 36)	192.41	837.80
Refer note 37 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses Refer note 44 (a) for details in respect of ageing of trade receivables.		
<b>9. Cash and cash equivalents</b>		
Balance with banks in current accounts	229.67	37.04
Cash on hand	0.64	0.09
	<u>230.31</u>	<u>37.13</u>
<b>10. Other current assets</b>		
<b>Unsecured, considered good</b>		
Advance to suppliers and others	68.70	70.01
Balances with statutory authorities	22.95	52.57
Others*	4.52	5.52
	<u>96.17</u>	<u>128.10</u>

\*Includes CSR asset of ₹ 0.32 million as on 31 March 2024 (previous year : 2.84 million, refer note 41)

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**MAXCURE NUTRAVEDICS LIMITED**

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Summary of the material accounting policies and other explanatory information for the year ended 31 March 2024

(All amounts in ₹ million unless otherwise stated)

Particulars	As at	As at
	31 March 2024	31 March 2023
<b>11. Equity share capital</b>		
<b>Authorised</b>		
250,000 (31 March 2023 : 250,000) equity shares of ₹10 (31 March 2023 : ₹10) each	2.50	2.50
<b>Issued, subscribed and fully paid up</b>		
50,000 (31 March 2023 : 50,000) equity shares of ₹ 10 (31 March 2023 : ₹ 10) each	0.50	0.50
	<b>0.50</b>	<b>0.50</b>

11.1 There has been no change in the number of shares outstanding at the beginning and at the end of the reporting period.

**11.2 Terms/rights attached to equity shares**

The Company has only one class of equity shares having face value of ₹ 10/- per share. Each equity shareholder is entitled to one vote per share. In the event of winding up of the Company, the equity shareholders shall be entitled to be repaid remaining assets of the Company, after distribution of all preferential amounts, in the ratio of the amount of capital paid upon such equity shares. However, no such preferential amounts exist currently.

**11.3 Details of shareholders holding more than 5% shares in the Company and shares held by Holding Company \***

Name of shareholder	As at 31 March 2024		As at 31 March 2023	
	No. of shares	% holding	No. of shares	% holding
Akums Drugs and Pharmaceuticals Limited and its nominees #	50,000	100%	50,000	100%

# promoters of the Company. There has been no change during the current period in the number of shares held by them from the preceding period.

\*As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

11.4 No shares have been issued as bonus shares or issued for consideration other than cash or bought back during the period of five years immediately preceding the reporting date.

11.5 No shares have been reserved for issue under options.

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**MAXCURE NUTRAVEDICS LIMITED**

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**Summary of the material accounting policies and other explanatory information for the year ended 31 March 2024***(All amounts in ₹ million unless otherwise stated)*

Particulars	As at 31 March 2024	As at 31 March 2023
<b>12. Other equity</b>		
<b>Retained earnings</b>		
Balance at the beginning of the year	956.35	895.60
Profit for the year	192.09	59.75
Other comprehensive income		
- Remeasurement of defined benefit plans, net of tax.	(2.00)	1.00
<b>Balance at the end of the year</b>	<b>1,146.44</b>	<b>956.35</b>

**Nature and purpose of reserve:****Retained earnings**

The retained earnings represents the undistributed surplus of the Company earned from its business operations and includes other comprehensive income on actuarial gain/ loss arising on account of defined benefit plan.

**13. Other financial liabilities**

Security deposit received		
from customers	2.36	2.38
from others*	10.63	11.76
	<b>12.99</b>	<b>14.14</b>

\* Includes retention money amount ₹ 10.15 million (31 March 2023: ₹ 11.28 million).

**14. Provisions**

Provision for employee benefits		
Gratuity (refer note 34)	10.76	9.68
Compensated absences	4.09	2.84
	<b>14.85</b>	<b>12.52</b>

**15. Deferred tax liabilities (net)****Deferred tax liabilities comprises:**

Temporary differences of book and tax depreciation	21.32	20.54
Right of use assets	4.22	5.67
	<b>25.54</b>	<b>26.21</b>

**Deferred tax assets comprises:**

Provision for doubtful debts	0.83	0.23
Lease liabilities	4.70	5.82
Brought forward loss	8.79	-
Items that are tax deductible on payment basis & others	11.02	3.85
	<b>25.34</b>	<b>9.90</b>

**Deferred tax liabilities (net)**

Refer note 39 for details.

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**MAXCURE NUTRAVEDICS LIMITED**

CIN- U74899DL1994PLC057323

Summary of the material accounting policies and other explanatory information for the year ended 31 March 2024

(All amounts in ₹ million unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>16. Borrowings</b>		
<b>Non Current</b>		
Loan from related company (refer note 16.2)	41.94	1.03
<b>Current</b>		
Working capital loan from banks (including accrued interest) (refer note 16.1)	250.27	370.46
	<b>292.21</b>	<b>371.49</b>

Notes :-

**16.1 Working capital loan from banks**

	As at	
	31 March 2024	31 March 2023

**16(i) Working Capital loan from Citi Bank Limited**

Working Capital loan taken from CITI Bank Limited is secured by hypothecation (pari passu) of stocks, current assets and mortgaged of movable assets and immovable assets and carries an interest rate in the range of 7.60% to 7.97% p.a. (4.00% p.a. to 7.60% p.a. in previous period) and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.

250.27	250.00
--------	--------

**16(ii) Cash Credit from IDFC Bank Limited**

Cash credit facility taken from IDFC Bank Limited is secured by hypothecation (pari passu) of stocks, current assets and mortgaged of movable assets and immovable assets and carries an interest rate of 9.25% p.a. (9.5% p.a. in previous period)

-	0.04
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**16(iii) Working Capital loan from HDFC Bank Limited**

Working capital loan taken from HDFC Bank Limited is secured by hypothecation (pari passu) of stocks, current assets and mortgaged of movable assets and immovable assets and carries an interest rate in the range of 7.60% to 7.76% p.a. (4.20% to 7.60% p.a. in previous period) and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.

-	120.42
---	--------

<b>250.27</b>	<b>370.46</b>
---------------	---------------

Refer note 29 for assets pledged against borrowing facilities.

**16.2** The loan from related party include the unsecured loan taken from Holding Company carrying an interest rate of 7.5% p.a. from April 2023 to June 2023 and 8% p.a. from July 2023 to March 2024 (previous year : 7% p.a. from April 2022 to September 2022 and 7.5% p.a. from October 2022 to March 2023) and is repayable in December 2026, if any.

The above loans have been utilised as per the purpose for these loans were sanctioned. The Company has not defaulted in repayment of interest during the current reporting period. Further, there have been no default in repayment of loan and no breaches in the financial covenants of any interest bearing loans and borrowings in the current year.

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**MAXCURE NUTRAVEDICS LIMITED**

CIN- U74899DL1994PLC057323

**Summary of the material accounting policies and other explanatory information for the year ended 31 March 2024***(All amounts in ₹ million unless otherwise stated)*

Particulars	As at 31 March 2024	As at 31 March 2023
<b>17. Trade payables</b>		
Total outstanding dues of micro and small enterprises	27.41	31.92
Total outstanding dues of creditors other than micro and small enterprises (refer note 37 and 42)	682.76	1,364.73
	<u>710.17</u>	<u>1,396.65</u>
Due to related party (refer note 36) Refer note 44(b) for disclosure in respect of ageing of the trade payables.	13.14	14.62
<b>18. Other financial liabilities</b>		
Employee payable	23.84	13.40
Capital creditors	9.67	10.76
	<u>33.51</u>	<u>24.16</u>
<b>19. Other current liabilities</b>		
Advance from customers	4.93	12.92
Other payables: Statutory dues	3.20	3.13
	<u>8.13</u>	<u>16.05</u>
Advances from related parties (refer note 36)	-	1.17
<b>20. Provisions</b>		
Provision for employee benefits: Gratuity (refer note 34)	4.33	0.55
Compensated absences (refer note 34)	1.65	0.27
	<u>5.98</u>	<u>0.82</u>
<b>21. Current tax liabilities(net)</b>		
Provision for tax (net of advance tax)	-	0.79
	<u>-</u>	<u>0.79</u>

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**MAXCURE NUTRAVEDICS LIMITED**

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**Summary of the material accounting policies and other explanatory information for the year ended 31 March 2024***(All amounts in ₹ million unless otherwise stated)*

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>22. Revenue from operations</b>		
Sale of finished products	1,239.58	1,200.71
Sale of traded products		
Domestic	5,973.35	5,228.40
	7,212.93	6,429.11
<b>Other operating revenues</b>		
Job work income	72.04	59.06
Testing charges and others	20.94	19.25
Sale of scraps	11.32	8.62
	7,317.23	6,516.04
Refer Note 35 in terms of disclosures required under Ind AS 115		
<b>23. Other income</b>		
Interest income on bank deposits at amortised cost	1.63	-
Interest income on tax refund and others	0.74	2.68
Subsidy income	-	0.01
Gain on foreign exchange transactions and translations	29.62	-
Reversal of expected credit loss on trade receivables	-	0.09
Miscellaneous income	8.41	14.17
	40.40	16.95
<b>24. Change in inventory of finished goods, stock-in-trade and work-in-progress</b>		
Opening stocks		
Finished goods	18.25	32.50
Work-in-progress	12.77	31.86
Stock-in-trade (including transit)	322.90	307.49
	(A) 353.92	371.85
Less: Closing stocks		
Finished goods	22.95	18.25
Work-in-progress	14.61	12.77
Stock-in-trade (including transit)	297.13	322.91
	(B) 334.69	353.93
<b>Change in inventory of finished goods and work-in-progress</b>	(A-B) 19.23	17.92
<b>25. Employee benefits expense</b>		
Salaries, wages and bonus	244.57	212.27
Contribution to provident and other funds*	6.23	5.79
Staff welfare expenses	9.23	7.61
	260.03	225.67

\*Includes contribution of ₹ 5.74 million (31 March 2023: ₹ 5.33 million) towards PF and ESI, refer note 34 for details.

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**MAXCURE NUTRAVEDICS LIMITED**

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**Summary of the material accounting policies and other explanatory information for the year ended 31 March 2024***(All amounts in ₹ million unless otherwise stated)*

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>26. Other expenses</b>		
Consumption of stores and spare parts	35.25	24.94
Power and fuel	56.35	57.11
Rent (refer note 43)	10.95	12.09
Repair and maintenance:		
Plant and equipments	11.04	11.97
Buildings	4.11	12.74
Others	13.25	17.65
Insurance	4.02	2.73
Travelling expense	1.24	0.91
Conveyance	1.14	0.93
Fees and subscription	2.11	1.92
Legal and professional expenses	3.20	5.84
Loss on foreign exchange transactions and translations	-	42.52
Bad debts written off	0.16	0.33
Provision for expected credit loss on trade receivables	2.38	-
Corporate social responsibility expenses (refer note 41)	2.52	3.67
Payment to auditors (refer note 32)	0.99	1.08
Miscellaneous	12.44	13.12
	<u>161.15</u>	<u>209.55</u>
<b>27. Finance costs</b>		
Interest on financial liabilities (using effective interest rate method):		
on borrowings	78.34	90.10
on lease liability	1.48	1.76
on late payment of statutory dues	0.43	-
	<u>80.25</u>	<u>91.86</u>

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**MAXCURE NUTRAVEDICS LIMITED**

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Summary of the material accounting policies and other explanatory information for the year ended 31 March 2024

(All amounts in ₹ million unless otherwise stated)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
-------------	-----------------------------	-----------------------------

**28. Earning per equity share**

Earnings per share (EPS) as per Ind AS-33 is calculated as under:

Net profit for calculation of basic and diluted EPS(₹)	(A)	192.09	59.75
Total number of equity shares outstanding at the end of the year		50,000	50,000
Weighted average number of equity shares in calculating basic and diluted EPS	(B)	50,000	50,000
Basic and diluted EPS (₹) (not annulaised)	(A/B)	3,841.75	1,194.94

**29. Assets pledged as security (refer note16)**

	As at 31 March 2024	As at 31 March 2023
<b>Current</b>		
Inventories	583.51	677.67
Other bank balances	0.50	0.50
Trade receivables	931.56	1,599.08
Other current assets	96.17	128.10
<b>Total current assets pledged as security</b>	<b>1,611.74</b>	<b>2,405.35</b>
<b>Non-current</b>		
Property, plant and equipment	334.02	308.27
<b>Total non-current assets pledged as security</b>	<b>334.02</b>	<b>308.27</b>
<b>Total assets pledged as security</b>	<b>1,945.76</b>	<b>2,713.62</b>

**30. Reporting to banks**

The Company is regular in submission of quarterly stock statements with banks for the borrowings sanctioned against hypothecation of current assets. Further, all the quarterly statements of current assets filed by the Company with banks are in agreement with books of accounts.

**31. Capital and other commitments**

Particulars	As at 31 March 2024	As at 31 March 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for(net of advances)	6.23	9.33

**32. Payment to auditors**

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
- as auditor	0.92	0.92
- for reimbursement of expenses	0.07	0.16
	<b>0.99</b>	<b>1.08</b>

**33. Contingent liabilities and litigations**

(i) Claim against the Company, not acknowledged as a debt.  
Income-tax matters (refer note below)

	As at 31 March 2024	As at 31 March 2023
	-	5.11

During the year ended 31 March 2023, for the A.Y. 2018-19 a demand of ₹ 5.11 million was raised upon the Company by way of intimation under section 143(2) of Income Tax Act on account by reducing the amount of deduction claimed u/s 80IC for the income arise from the operations of Haridwar unit, against which an appeal has been filed by the Company before the Commissioner of Income Tax (Appeals), New Delhi. CIT(A) passed an order dated 26 March 2024 in favour of the Company and the demand is deleted.

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**34. Employees benefits obligation**

**A. Defined contribution plan**

Retirement benefits in the form of provident fund, superannuation fund and Employee State Insurance Scheme are defined contribution schemes. The Company has no obligation, other than the contribution payable to provident fund. The Company contribution to the defined plans is:

	Year ended 31 March 2024	Year ended 31 March 2023
<b>The amount recognised as expense towards contribution to defined contribution plans for the year is as below:</b>		
Company's contribution to Provident Fund	5.44	4.99
Company's contribution to Employees' State Insurance Scheme	0.30	0.34
<b>Total</b>	<b>5.74</b>	<b>5.33</b>

**B. Defined benefit plan - gratuity**

The Company has defined benefit gratuity plan for its employees where gratuity is computed as 15 days last drawn salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement /termination /resignation. The benefit vests on the employee completing 5 years of service. The Company makes provision of such gratuity asset/liability in the books of accounts on the basis of actuarial valuation as per the projected unit credit method. Summary for the same is as below:

**(i) Present value of defined benefit obligation as at the end of the year**

	As at 31 March 2024	As at 31 March 2023
Non-current	10.76	9.68
Current	4.33	0.55
	<b>15.09</b>	<b>10.23</b>

**(ii) Movement in the present value of defined benefit obligation recognised in the balance sheet**

	As at 31 March 2024	As at 31 March 2023
<b>Present value of defined benefit obligation as at the beginning of the year</b>	<b>10.23</b>	<b>9.40</b>
Current service costs	2.19	1.95
Interest costs	0.75	0.68
Benefits paid	(0.75)	(0.46)
Actuarial loss/(gain) on obligation	2.67	(1.34)
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>15.09</b>	<b>10.23</b>

**(iii) Expense recognised in the statement of profit and loss consists of:**

	Year ended 31 March 2024	Year ended 31 March 2023
Current service cost	2.19	1.95
Interest costs	0.75	0.67
<b>Net impact on profit before tax</b>	<b>2.94</b>	<b>2.62</b>
Actuarial loss/(gain) recognised during the period in other comprehensive income	2.67	(1.34)
<b>Amount recognised in total comprehensive income</b>	<b>5.61</b>	<b>1.28</b>

**(iv) Breakup of actuarial gain/(loss)**

	Year ended 31 March 2024	Year ended 31 March 2023
Actuarial (gain)/loss from change in demographic assumption	0.70	-
Actuarial (gain)/loss from change in financial assumption	17.00	(0.23)
Actuarial (gain)/loss from experience adjustment	(15.03)	(1.11)
<b>Total actuarial (gain)/loss</b>	<b>2.67</b>	<b>(1.34)</b>

**(v) Actuarial assumptions**

	As at 31 March 2024	As at 31 March 2023
Discount rate	7.22%	7.36%
Rate of increase in compensation levels	12.00%	5.50%
<b>Attrition rate:</b>		
Upto 30 years	34%	3%
from 31-44 years	34%	2%
Above 44	34%	1%
Retirement age	58	58
<b>Mortality rate</b>	IALM(2012-14)	IALM(2012-14)



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**Notes:**

- (a) The discount rate is based on the prevailing market yield of Indian Government bonds as at the balance sheet date for the estimated terms of obligations.  
(b) The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

**(vi) Sensitivity analysis for gratuity liability**

	As at 31 March 2024	As at 31 March 2023
<b>a) Impact of the change in discount rate</b>		
Present value of obligation at the end of the year	15.09	10.23
Impact due to increase of 0.50%	(0.19)	(0.62)
Impact due to decrease of 0.50 %	0.20	0.68
<b>b) Impact of the change in salary increase</b>		
Present value of obligation at the end of the year	15.09	10.23
Impact due to increase of 0.50%	0.18	0.69
Impact due to decrease of 0.50 %	(0.17)	(0.64)

**Note:**

The above sensitivity analysis is based on a change an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

**(vii) Maturity profile of defined benefit obligation (discounted)**

Within next 12 months	4.33	0.55
Between 1-5 years	8.48	0.67
Beyond 5 years	2.28	9.01
	<b>15.09</b>	<b>10.23</b>

**(viii) Expected contribution**

The expected future employer contributions for defined benefit plan ₹ 3.09 million as at 31 March 2024 (31 March 2023 : ₹ 3.07 million)

**(ix) Other long-term employee benefits**

An amount of ₹ 3.25 million (31 March 2023: ₹ 1.00 million) pertains to expense towards compensated absences.

**35. Revenue from contracts with customers**

**(i) Disaggregation of revenue**

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Sale of products</b>		
Revenue from sale of manufactured goods- Pharmaceuticals	1,239.58	1,200.71
Revenue from traded goods- Domestic	5,973.35	5,228.40
Revenue from sale of goods - others	0.01	0.01
<b>Other operating revenue</b>		
Job work income	72.04	59.06
Testing charges	20.94	19.25
Sale of scrap	11.32	8.62
	<b>7,317.24</b>	<b>6,516.05</b>

**(ii) Assets and liabilities related to contracts with customers**

	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
<b>Contract liabilities related to sale of goods</b>				
Advance from customers	-	4.93	-	12.92

Receivable is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. The amounts receivable from customers become due after expiry of credit period which on an average is less than 30 days. There is no significant financing component in any transaction with the customers.



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**MAXCURE NUTRAVEDICS LIMITED**

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Summary of the material accounting policies and other explanatory information for the year ended 31 March 2024

(All amounts in ₹ million unless otherwise stated)

**(iii) Significant changes in the contract liabilities balances during the year are as follows:**

The change in contract assets is on account of amount charged from sale of goods and the amount outstanding at year end while there is no makpr change in the contract liabilities during the reporting period:

Particulars	As at 31 March 2024		As at 31 March 2023	
	Contract liabilities		Contract liabilities	
	Advances from customers		Advances from customers	
Opening balance		12.92		9.58
Addition during the year		4.93		12.92
Revenue recognised during the year		12.92		9.58
Closing balance		<u>4.93</u>		<u>12.92</u>

The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a short duration. There are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.

**36. Related party disclosures in accordance with Ind AS 24****I. Relationships****a) Holding Company**

Akums Drugs and Pharmaceuticals Limited

**b) Subsidiary Company**

Medibox Pharma Private Limited (formerly known as 'Medibox Digital Solutions Private Limited')

**c) Key management personnel (KMP) of the Company or its Holding Company**

Name	Designation
Mr. K. D. Sharma	Wholetime director
Mr. Rohitaswa	Wholetime director
Mr. Parveen Soni	Director
Ms. Nidhi Sharma	Director
Ms. Geetanjali Sharma	Company Secretary

**d) Promoters of holding company & their Relatives**

Mr. Sanjeev Jain	KMP of Holding Company
Mr. Sandeep Jain	KMP of Holding Company
Mr. D.C. Jain	Relative of KMP of Holding Company (till 19 March 2024)
Ms. Archana Jain	Relative of KMP of Holding Company

**e) Fellow subsidiaries\***

Pure and Cure Healthcare Private Limited<sup>#</sup>  
 Malik Lifesciences Private Limited  
 Akums Lifescience Limited<sup>#</sup>  
 Akums Healthcare Limited  
 Upadhrish Reserchem LLP  
 Akumentis Healthcare Limited  
 Unosource Pharma Limited  
 Amazing Research Laboratories Limited  
 May and Baker Pharmaceuticals Limited  
 Plenteous Pharmaceuticals Limited  
 Sarvagunaushdhi Private Limited  
 Nicholas Healthcare Limited  
 Burroughs Welcome Pharmacia Private Limited  
 Qualymed Pharma Private Limited (w.e.f. 02 May 2023)

**f) Entity controlled by KMP/Holding Company having substantial interest of the Holding Company**

Akome Lifecare Private Limited  
 Akums Foundation

# During the year ended on 31 March 2024, 'Akums lifesciences Limited' has been merged with 'Pure and Cure Healthcare Private Limited' per the Hon'ble NCLT Delhi and NCLT Chandigarh order dated 17 October 2023 and 24 August 2023 respectively, with appointed date 01 April 2022.

\* with whom the Company had transactions during the current and/or previous period.



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**MAXCURE NUTRAVEDICS LIMITED**

CIN- U74899DL1994PLC057323

Summary of the material accounting policies and other explanatory information for the year ended 31 March 2024

(All amounts in ₹ million unless otherwise stated)

**II Summary of related party transactions**

Particulars	31 March 2024	31 March 2023
<b>(a) Transactions during the period:</b>		
<b>Inter-corporate loan receipt</b>		
Akums Drugs and Pharmaceuticals Limited	7,765.50	5,538.18
<b>Inter-corporate loan repaid</b>		
Akums Drugs and Pharmaceuticals Limited	7,725.50	6,230.50
<b>Interest paid on Inter-corporate loan</b>		
Akums Drugs and Pharmaceuticals Limited	54.00	56.00
<b>Sales of goods</b>		
Pure & Cure Healthcare Private Limited	2,322.24	2,275.79
Malik Lifesciences Private Limited	1,641.92	1,252.01
Akums Drugs and Pharmaceuticals Limited	1,029.41	958.73
Akumentis Healthcare Limited	25.19	38.08
Others	30.84	20.92
<b>Sales of assets</b>		
Pure and Cure Healthcare Private Limited	-	0.20
Akums Drugs and Pharmaceuticals Limited	0.05	-
Others	-	0.01
<b>Purchase of goods and others</b>		
Pure and Cure Healthcare Private Limited	84.44	59.93
Malik Lifesciences Private Limited	37.23	24.44
Upadhrish Reserchem LLP	23.61	17.11
Akums Drugs and Pharmaceuticals Limited	39.86	9.42
Others	2.10	0.33
<b>Purchase of assets</b>		
Pure & Cure Healthcare Private Limited	6.46	0.38
Akums Drugs and Pharmaceuticals Limited	0.31	0.66
Malik Lifesciences Private Limited	-	0.02
Akumentis Healthcare Limited	0.30	-
<b>Purchase of MEIS License Fees</b>		
Unosource Pharma Limited	7.64	0.93
<b>Expenses incurred on behalf of Company</b>		
Akums Drugs and Pharmaceuticals Limited	0.42	0.18
Pure and Cure Healthcare Private Limited	0.16	0.01
Others	-	0.02
<b>Expenses paid by other group Company</b>		
Akums Drugs and Pharmaceuticals Limited	3.53	7.32
Others	0.51	0.69
<b>Stores &amp; spare parts consumed</b>		
Upadhrish Reserchem LLP	20.32	-
<b>Miscellaneous expenses</b>		
Pure & Cure Healthcare Private Limited	0.17	-
Others	0.06	0.01



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**MAXCURE NUTRAVEDICS LIMITED**

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Summary of the material accounting policies and other explanatory information for the year ended 31 March 2024

(All amounts in ₹ million unless otherwise stated)

**II Summary of related party transactions**

Particulars	31 March 2024	31 March 2023
<b>Repairs and maintenance- plant and equipments</b>		
Upadhrish Reserchem LLP	1.40	16.64
<b>Service income</b>		
Malik Lifescience Limited	0.06	13.35
Plenteous Pharmaceuticals Limited	0.91	-
Akums Drugs and Pharmaceuticals Limited	-	9.70
Pure & Cure Healthcare Private Limited	-	8.85
Others	0.06	0.31
<b>CSR contribution paid</b>		
Akums Foundation	-	5.47
<b>Rent paid</b>		
Akums Drugs and Pharmaceuticals Limited	5.95	8.65
Akums Healthcare Limited	-	0.60
Akome lifecare Private Limited	4.12	1.97
Mr. Sandeep Jain	0.36	0.36
Mr. Sanjeev Jain	0.06	-
Ms. Lata Jain	0.34	0.34
<b>Professional charges paid</b>		
Mr. D.C. Jain	0.66	0.72
<b>Remuneration paid*</b>		
Mr. K.D Sharma	2.89	2.43
Mr. Rohitaswa	2.89	2.53
Ms. Archana Jain	5.05	4.60
Ms. Geetanjali Sharma	0.70	0.44
<b>Sitting fees</b>		
Ms. Nidhi Sharma	0.01	0.01
Mr. Parveen Soni	0.01	0.01

\*excludes the post employment benefits and other long term benefits as being done on lumpsum for all the employees of the Company.



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**MAXCURE NUTRAVEDICS LIMITED**

CIN- U74899DL1994PLC057323

Summary of the material accounting policies and other explanatory information for the year ended 31 March 2024

*(All amounts in ₹ million unless otherwise stated)***II Summary of related party transactions**

Particulars	31 March 2024	31 March 2023
(b) Balance outstanding at the year end:		
<b>Inter corporate loan payable</b>		
Akums Drugs and Pharmaceuticals Limited	40.00	-
<b>Interest payables</b>		
Akums Drugs and Pharmaceuticals Limited	1.94	1.03
<b>Trade receivables</b>		
Pure & Cure Healthcare Private Limited	93.01	436.12
Malik Lifesciences Private Limited	74.44	177.97
Akums Drugs and Pharmaceuticals Limited	15.71	217.17
Others	9.24	6.54
<b>Advances from customer</b>		
Plenteous Pharmaceuticals Limited	-	1.17
<b>Trade payables</b>		
Akums Drugs and Pharmaceuticals Limited	0.10	3.32
Pure & Cure Healthcare Private Limited	0.99	6.41
Upadhrish Reserchem LLP	8.86	3.83
Malik Lifesciences Private Limited	2.76	-
Others	0.43	1.06

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**MAXCURE NUTRAVEDICS LIMITED**

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**Summary of the material accounting policies and other explanatory information for the year ended 31 March 2024**

(All amounts in ₹ million unless otherwise stated)

**37 Financial Instruments**

**A Financial assets and liabilities**

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

Particulars	Note	As at 31 March 2024	As at 31 March 2023
<b>Financial assets measured at amortised cost:</b>			
Other financial assets	4	13.22	12.00
Trade receivables	8	931.56	1,599.08
Cash and cash equivalents	9	230.31	37.13
<b>Total</b>		<b>1,175.09</b>	<b>1,648.21</b>
<b>Financial liabilities measured at amortised cost:</b>			
Borrowings	16	292.21	371.49
Other financial liabilities	13 & 18	46.50	38.30
Lease liability	43	18.69	23.12
Trade payables	17	710.17	1,396.65
<b>Total</b>		<b>1,067.57</b>	<b>1,829.56</b>

The carrying value of the amortised financial assets and liabilities approximate to the fair value on the respective reporting dates.

**B Fair values hierarchy**

The fair value of financial instruments as referred to in note (A) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

**The categories used are as follows:**

**Level 1:** Quoted prices for identical instruments in an active market;

**Level 2:** Directly (i.e., as prices) or indirectly (i.e., derived from prices) observable market inputs, other than Level 1 inputs; and

**Level 3:** Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

There are no financial assets which are measured at fair value in the statement of financial position and hence no disclosure on fair value hierarchy has been provided.

**B.2 Financial assets and liabilities measured at amortised cost**

Fair value of financial assets and liabilities measured at amortised cost

As at 31 March 2024	Level	Carrying value	Fair value	Reference
<b>Financial assets</b>				
Other financial assets	3	13.22	13.22	refer note 'a'
Trade receivables	3	931.56	931.56	refer note 'a'
Cash and cash equivalents	3	230.31	230.31	refer note 'a'
<b>Financial liabilities</b>				
Lease Liability	3	18.69	18.69	refer note 'b'
Borrowings	3	292.21	292.21	refer note 'b'
Other financial liabilities	3	46.50	46.50	refer note 'a'
Trade payables	3	710.17	710.17	refer note 'a'

As at 31 March 2023	Level	Carrying value	Fair value	Level
<b>Financial assets</b>				
Other financial assets	3	12.00	12.00	refer note 'a'
Trade receivables	3	1,599.08	1,599.08	refer note 'a'
Cash and cash equivalents	3	37.13	37.13	refer note 'a'
<b>Financial liabilities</b>				
Lease Liability	3	23.12	23.12	refer note 'b'
Borrowings	3	371.49	371.49	refer note 'b'
Other financial liabilities	3	38.30	38.30	refer note 'a'
Trade payables	3	1,396.65	1,396.65	refer note 'a'

(a) The carrying amount of trade receivables, cash and cash equivalents, other financial assets, trade payables and other financial liabilities which are short term in nature are considered to same as their fair values.

(b) All the long term borrowing facilities availed by the Company are fixed rate facilities which are not subject to changes in underlying interest rate indices. Non current borrowing rate is similar to the fixed rate of interest on these facilities, hence fair value is not significantly different from the carrying value.



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**C Financial Risk Management**

**Risk Management**

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and other financial assets measured at amortised cost	Ageing analysis, Credit ratings	Bank deposits, diversification of asset base, credit limits
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial liabilities not denominated in Indian rupee (INR)	Cash flow forecasting	Forward foreign exchange contracts
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors

The Company's risk management is carried out by a central treasury department (of the Company) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

**C.1 Credit risk**

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables, loans and other financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

**(a) Credit risk management**

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- (i) Low credit risk
- (ii) Moderate credit risk
- (iii) High credit risk

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

**The Company provides for expected credit loss based on the following:**

Basis of categorisation	Asset class exposed to credit risk	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, financial assets measured at amortised cost	12 month expected credit loss
Moderate credit risk	Trade receivables	Trade receivables - Life time expected credit loss

**Financial assets that expose the entity to credit risk –**

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Low credit risk</b>		
Cash and cash equivalents	230.31	37.13
Other financial assets	13.22	12.00
<b>Moderate credit risk</b>		
Trade receivables	931.56	1,599.08
<b>Total</b>	<b>1,175.09</b>	<b>1,648.21</b>

All of the entity's financial assets (other than trade receivables) measured at amortised cost, are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months' expected losses. Management consider 'low credit risk' for cash and cash equivalents and other bank balances being maintained with scheduled banks. Other instruments are considered to have low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 180 days past due. Impairment losses on trade receivables and contract assets are presented as net impairment losses. Subsequent recoveries of amounts previously written off are credited against the same line item.

The Company assumes increase in credit risk since initial recognition when financial assets are more than 30 days past due.

The carrying amounts of financial assets above represents the maximum exposure to credit risk.



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(All amounts in ₹ million unless otherwise stated)

(b) Expected credit losses for financial assets

(i) Financial assets (other than trade receivables)

Company provides for expected credit losses on loans other than trade receivables by assessing individual financial instruments for expectation of any credit losses.

- For cash & cash equivalents and other bank balances - Since the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents and other bank balances and bank deposits is evaluated as very low.

- For loans and other financial assets - Credit risk is evaluated based on Company knowledge of the credit worthiness of those parties and loss allowance is measured. For such financial assets, the Company policy is to provide for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk.

31 March 2024	Gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount net of loss allowance
Cash and cash equivalents	230.31	0.00%	-	230.31
Other financial assets	13.22	0.00%	-	13.22

31 March 2023	Gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount net of loss allowance
Cash and cash equivalents	37.13	0.00%	-	37.13
Other financial assets	12.00	0.00%	-	12.00

(ii) Expected credit loss for trade receivables under simplified approach

As at 31 March 2024 and 31 March 2023, the Company considered the individual probabilities of default of its financial assets (other than trade receivables) and determined that in respect of counterparties with low credit risk, no default events are considered to be possible within the 12 months after the reporting date. In respect of trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses using a simplified approach.

As at 31 March 2024	Gross carrying amount	% of expected credit losses	Allowance for expected credit losses	Carrying amount net of loss allowance
Amount not yet due	318.72	0.00%	-	318.72
Between one to six month overdue	562.29	0.00%	-	562.29
Between six month to one year overdue	46.31	0.00%	-	46.31
Greater than one year overdue	7.54	-43.77%	(3.30)	4.24
<b>Total</b>	<b>934.86</b>		<b>(3.30)</b>	<b>931.56</b>

As at 31 March 2023	Gross carrying amount	% of expected credit losses	Allowance for expected credit losses	Carrying amount net of loss allowance
Amount not yet due	1,026.10	0.00%	-	1,026.10
Between one to six month overdue	209.97	0.00%	-	209.97
Between six month to one year overdue	360.25	0.00%	-	360.25
Greater than one year overdue	3.68	-25.00%	(0.92)	2.76
<b>Total</b>	<b>1,600.00</b>		<b>(0.92)</b>	<b>1,599.08</b>

Reconciliation of loss allowance provision from beginning to end of reporting period:

Reconciliation of loss allowance	Trade receivables
Loss allowance as at 1 April 2022	1.01
Charge in statement of profit and loss	0.92
Release to statement of profit and loss	(1.01)
<b>Loss allowance as at 31 March 2023</b>	<b>0.92</b>
Charge in statement of profit and loss	3.30
Release to statement of profit and loss	(0.92)
<b>Loss allowance on 31 March 2024</b>	<b>3.30</b>

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Summary of the material accounting policies and other explanatory information for the year ended 31 March 2024

(All amounts in ₹ million unless otherwise stated)

C.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Company liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

(a) Financing arrangements (un-utilised)

The Company has access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at 31 March 2024	As at 31 March 2023
Working capital facility	1,330.48	1,459.96

(b) Maturities of financial liabilities (excluding finance costs obligation for future payments, as applicable):

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant:

31 March 2024	Less than 1 year	1-5 year	More than 5 years	Total
<b>Non-derivatives</b>				
Borrowing	-	41.94	-	41.94
Lease Liabilities	5.36	13.33	-	18.69
Current borrowings	250.27	-	-	250.27
Trade payables	710.17	-	-	710.17
Other financial liabilities	33.51	12.99	-	46.50
<b>Total</b>	<b>999.31</b>	<b>68.26</b>	<b>-</b>	<b>1,067.57</b>

31 March 2023	Less than 1 year	1-5 year	More than 5 years	Total
<b>Non-derivatives</b>				
Borrowing (including current maturities of long term debt and interest)	-	1.03	-	1.03
Lease Liabilities	4.43	18.69	-	23.12
Current borrowings	370.46	-	-	370.46
Trade payables	1,396.65	-	-	1,396.65
Other financial liabilities	24.16	14.14	-	38.30
<b>Total</b>	<b>1,795.70</b>	<b>33.86</b>	<b>-</b>	<b>1,829.56</b>

C.3 Market risk

(a) Foreign currency risk

The Company has international transactions and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The Company does not use forward contracts and swaps for managing risks associated with foreign currency nor used for speculative purposes.

Particulars	As at 31 March 2024		As at 31 March 2023	
	Amount (₹ in million)	Foreign currency (USD)	Amount (₹ in million)	Foreign currency (USD)
Trade payables				
USD	192.04	2.29	464.51	5.54

The impact on the Company's profit due to changes in the foreign currency exchange rates are given below:

Particulars	As at 31 March 2024	As at 31 March 2023
<b>USD Sensitivity</b>		
INR/USD - Increase by 1% (31 March 2023- 1.82%)	0.02	0.10
INR/USD - decrease by 1% (31 March 2023- 1.82%)	(0.02)	(0.10)



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(All amounts in ₹ million unless otherwise stated)

**(b) Interest rate risk**

**(i) Financial liabilities**

The Company's policy is to minimise interest rate cash flow risk exposures on external financing. At 31 March 2024 and 31 March 2023, the Company is exposed to changes in interest rates through bank borrowings carrying variable interest rates. The Company's investments in fixed deposits carry fixed interest rates.

**Interest rate risk exposure**

Below is the overall exposure of the Company to interest rate risk:

Particulars	As at 31 March 2024	As at 31 March 2023
Variable rate borrowing	250.27	370.46
Fixed rate borrowing	41.94	1.03
<b>Total borrowings</b>	<b>292.21</b>	<b>371.49</b>

**Sensitivity**

Below is the sensitivity of profit or loss to changes in interest rates of variable borrowings:

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Interest sensitivity*</b>		
Interest rates – increase by 50 basis points	1.25	1.85
Interest rates – decrease by 50 basis points	(1.25)	(1.85)

\* Holding all other variables constant

**(ii) Financial assets**

The Company's deposits with banks are carried at amortised cost and are fixed rate instruments. They are, therefore, not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**(c) Price risk**

**(i) Exposure**

The company is in the business of contract manufacturing wherein any increase in the price is passed to the customer and hence the Company is not exposed to significant price risk.

**38 Capital Management**

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide an adequate return to shareholders through continuing growth via expansion.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

**Gearing ratio**

Particulars	As at 31 March 2024	As at 31 March 2023
Total borrowings	292.21	371.49
Less: Cash and cash equivalents	230.31	37.13
<b>Net debt</b>	<b>61.90</b>	<b>334.36</b>
Total equity	1,146.94	956.85
<b>Equity and net debt</b>	<b>1,208.84</b>	<b>1,291.21</b>
<b>Gearing ratio</b>	<b>5.12%</b>	<b>25.90%</b>

\*Equity includes capital and all reserves of the Company that are managed as capital.

In order to achieve this overall objective, the entity's capital management, amongst other things, aims to ensure that it meets financial covenants and attached to the interest bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024 and 31 March 2023.

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Summary of the material accounting policies and other explanatory information for the year ended 31 March 2024

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39. Tax expense

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Tax expense:</b>		
<b>Recognised in statement of profit and loss</b>		
Current tax	-	21.88
Tax earlier years	(0.04)	0.17
Deferred tax	(15.43)	(1.22)
Tax impact on OCI	(0.67)	0.34
<b>Total tax expense</b>	<b>(16.14)</b>	<b>21.17</b>

a) Reconciliation of tax expense applicable to profit before tax at the latest statutory enacted tax rate in India to income tax expense reported is as follows:

	Year ended 31 March 2024	Year ended 31 March 2023
Profit before tax	176.62	80.58
Income tax using the Company's domestic tax rate * (refer note below)	25.17%	25.17%
<b>Expected tax expense [A]</b>	<b>44.45</b>	<b>20.28</b>
<b>Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense</b>		
Effect of non-deductible expenses	0.74	0.46
Effect of write-off in value of investment	(60.40)	-
Others (including impact on other comprehensive income)	(0.93)	0.43
<b>Total adjustments [B]</b>	<b>(60.59)</b>	<b>0.89</b>
<b>Actual tax expense [C=A+B]</b>	<b>(16.14)</b>	<b>21.17</b>
<b>* Domestic tax rate applicable to the Company has been computed as follows</b>		
Base tax rate	22%	22%
Surcharge (% of tax)	10%	10%
Cess (% of tax)	4%	4%
<b>Applicable rate of tax</b>	<b>25.17%</b>	<b>25.17%</b>

Note:

1. The Taxation Laws (Amendment) Ordinance, 2019 (2019 Tax Ordinance) provides the Company with an option to move to a lower tax rate of 25.17% accompanied with immediate expiry of carry forward balance of Minimum Alternative Tax (MAT) credit and certain other concessional tax rate benefits enjoyed by the Company presently. The Company has reviewed the implications of 2019 Tax Ordinance on its tax liability for the year/period and has decided to shift to be taxed as per new regime.

b) Changes in deferred tax assets and liabilities for the year ended 31 March 2024 :-

Particulars	As at 31 March 2023	Recognised in other comprehensive income	Recognised in profit and loss	As at 31 March 2024
<b>Deferred tax liability consists of:</b>				
Property, plant and equipment and intangible assets	(20.54)	-	(0.78)	(21.32)
Right of use assets	(5.67)	-	1.45	(4.22)
<b>Deferred tax assets consists of:</b>				
Employee benefits	3.85	0.67	6.50	11.02
Provision of diminution in value of investment	-	-	8.79	8.79
Provision for credit losses on financial assets	0.23	-	0.60	0.83
Lease liability	5.82	-	(1.12)	4.70
<b>Net deferred tax asset / (liability)</b>	<b>(16.31)</b>	<b>0.67</b>	<b>15.44</b>	<b>(0.20)</b>

b) Changes in deferred tax assets and liabilities for the year ended 31 March 2023 :-

Particulars	As at 31 March 2022	Recognised in other comprehensive income	Recognised in profit and loss	As at 31 March 2023
<b>Deferred tax liability consists of:</b>				
Property, plant and equipment and intangible assets	(20.44)	-	(0.10)	(20.54)
Lease liability	(0.39)	-	0.54	0.15
<b>Deferred tax assets consists of:</b>				
Employee benefits	3.38	(0.34)	0.81	3.85
Provision for credit losses on financial assets	0.25	-	(0.02)	0.23
<b>Net deferred tax asset / (liability)</b>	<b>(17.20)</b>	<b>(0.34)</b>	<b>1.23</b>	<b>(16.31)</b>

40. Segment reporting

The Company publishes this financial statements along with the consolidated financial statements of the Holding Company. In accordance with Ind AS 108, Operating Segments, the Holding Company has disclosed the segment information in the consolidated financial statements.

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**41. Corporate social responsibility**

As per section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial year on corporate social responsibility(CSR) activities. The CSR committee has been formed by the Company as per the Act and the Company has identified areas of "Promoting Education and healthcare Projects" for CSR activities.

The Company has spent amount on corporate social responsibility expenses as below:

	Year ended 31 March 2024	Year ended 31 March 2023
Unspent/ (overspent) opening balance	(2.84)	(1.04)
Gross amount required to be spent during the year	2.52	3.67
Amount spent/ adjusted during the year	-	-
- Construction/acquisition of any Asset	-	-
- On purposes other than above	-	5.47
Unspent/ (overspent) closing balance	(0.32)	(2.84)

The excess amount spent on CSR has been recognised as CSR asset in the respective financial year as per provisions of Companies Act 2013. (refer note 10)

**42. Disclosures as required under Section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 due to micro enterprises and small enterprises**

Particulars	As at 31 March 2024	As at 31 March 2023
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due	27.41	31.92
- Interest amount due	-	-
(ii) The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

**43. Lease**

a) The Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the Right-of-use assets at its carrying amount, but discounted at the lessee's incremental borrowing rate at the date of initial application.

b) The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 01 April 2020 was 9% p.a. For building taken during the period ended 31 March 2022 borrowing rate applied is 7% p.a.

c) The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:

As at 31 March 2024

Category of asset	No of right-of-use assets leased	Range of remaining term (year)	Average remaining lease term (year)
Land	1.00	72.0	72.00
Building	1.00	3.0	3.00

As at 31 March 2023

Category of asset	No of right-of-use assets leased	Range of remaining term (year)	Average remaining lease term (year)
Land	1.00	73.00	73.00
Building	1.00	4.00	4.00

There are no leases entered by the Company which have any extension, termination or purchase option and the payment of lease rentals is not based on variable payments.

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d) Amount recognised in balance sheet and statement of profit and loss:

Particulars	Category of Right-of-use assets		
	Land	Building	Total
Balance as at 1 April 2022	18.10	28.27	46.37
Less: Depreciation charged on the right-of-use assets	0.24	5.75	5.99
Balance as at 31 March 2023	17.86	22.52	40.38
Balance as at 31 March 2023/ 01 April 2023	17.86	22.52	40.38
Less: Depreciation charged on the right-of-use assets	0.24	5.75	5.99
Balance as at 31 March 2024	17.62	16.78	34.38

e) Lease payment not recognised as lease liability

Expenses relating to short term leases (included in other expenses)

	Year ended 31 March 2024	Year ended 31 March 2023
	10.95	12.09
	10.95	12.09

d) Future minimum lease payment

Minimum Lease payment	As at 31 March 2024		
	Lease payment	Finance charges	Net Present Value
Within 1 year	6.50	1.14	5.36
1-5 year	14.30	0.98	13.33
More than 5 year	-	-	-
	20.80	2.12	18.69

Minimum Lease payment	As at 31 March 2023		
	Lease payment	Finance charges	Net Present Value
Within 1 year	5.91	1.48	4.43
1-5 year	20.81	2.12	18.69
More than 5 year	-	-	-
	26.72	3.60	23.12

44. Ageing of trade receivables and trade payables as per Schedule III

a) Trade receivables ageing

The table below analyse the outstanding trade receivables:

Particulars	Outstanding for the following periods from due date of payment						
	Less than 6 months*	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total	
(i) Undisputed trade receivables- considered good	881.01	46.31	2.10	-	-	929.42	
(ii) Undisputed trade receivables- which have significant increase in credit risk	-	-	1.90	-	-	1.90	
(iii) Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	3.54	3.54	
(iv) Provision for expected credit loss	-	-	(0.48)	-	(2.82)	(3.30)	
	881.01	46.31	3.52	-	0.72	931.56	

\* Includes not due amount of ₹ 318.71 million.

Particulars	Outstanding for the following periods from due date of payment						
	Less than 6 months*	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total	
(i) Undisputed trade receivables- considered good	1,236.07	360.25	-	-	-	1,596.32	
(ii) Undisputed trade receivables- which have significant increase in credit risk	-	-	-	0.14	-	0.14	
(iii) Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	3.54	3.54	
(iv) Provision for expected credit loss	-	-	-	-	(0.92)	(0.92)	
	1,236.07	360.25	-	0.14	2.62	1,599.08	

\* Includes not due amount of ₹ 1,026.10 million.

b) Trade payables ageing

The table below analyse the outstanding trade payables:

Particulars	Outstanding for the following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	27.41	-	-	-	27.41
Others	678.92	2.46	0.53	0.06	681.97
Unbilled dues	0.78	-	-	-	0.78
	707.11	2.46	0.53	0.06	710.16

Note: There are no undue payables, hence same is not disclosed in the ageing schedule.

Particulars	Outstanding for the following periods from due date of payments				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	31.92	-	-	-	31.92
Others	1,354.54	3.91	0.15	0.08	1,358.68
Unbilled dues	6.05	-	-	-	6.05
	1,392.51	3.91	0.15	0.08	1,396.65

Note: There are no undue payables, hence same is not disclosed in the ageing schedule.

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**MAXCURE NUTRAVEDICS LIMITED**

CIN- U74899DL1994PLC057323

Summary of the material accounting policies and other explanatory information for the year ended 31 March 2024

(All amounts in ₹ million unless otherwise stated)

**45. Ratio Disclosures**

Particulars	Numerator	Denominator	Current year	Previous year	% Variance
Current ratio <sup>1</sup>	Current Assets	Current liab	1.82	1.35	26%
Debt - Equity ratio <sup>2</sup>	Total debt	Shareholders equity	0.25	0.39	-52%
Debt service coverage ratio <sup>2</sup>	Earnings available for debt service	Debt Service	0.04	0.03	28%
Return on equity ratio <sup>1</sup>	Net Profits after taxes - Preference Dividend (if any)	Average Shareholder's Equity	16.75%	6.24%	63%
Inventory turnover ratio	Cost of goods sold	Average Inventory	10.53	9.02	14%
Trade receivables turnover ratio <sup>1</sup>	Net Credit Sales	Avg. Accounts Receivable	5.78	3.47	40%
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	6.30	5.04	20%
Net capital turnover ratio	Net Sales	Working Capital	8.84	10.37	-17%
Net profit ratio <sup>1</sup>	Net Profit	Net Sales	2.63%	0.92%	65%
Return on capital employed <sup>1&amp;2</sup>	Earning before interest and taxes	Capital Employed	17.85%	12.98%	27%
Return on investment <sup>1</sup>	Profit after tax	Investment	16.75%	6.24%	63%

Reason for variance:

1. With increase in operations, the inventories of the Company has increased along with purchases, leading to increase in current ratio. Further the Company has been able to cover its fixed cost with increase revenue leading to profit in the current year which has impacted the return on equity, net profit ratio, return on capital employed and return on investment.
2. On account of decrease in current borrowings, in comparison to previous period, debt equity ratio and other ratios have changed.

**46. Other information:**

The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of accounts, shall only use such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The new requirement is applicable with effect from the financial year beginning on 1 April 2023.

The Company uses certain accounting software and payroll software for maintaining its books of account. During the current financial year, the audit trail (edit log) feature for any direct changes made at the database level were not enabled for the above mentioned software used for maintenance of all the accounting records by the Company. However, the audit trails (edit log) at the applications level (entered from the frontend by users) for the accounting software were operating for all relevant transactions recorded in the software.

Further, the Company, has used payroll software used at plant which is operated by a third-party software service provider. The Company has obtained the 'Independent Service Auditor's Assurance Report on the Description of Controls, the Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information). However, the service auditor has not specifically covered the existence of audit trail for any direct changes at database level in line with the requirements by MCA.

**47. Other Statutory information:**

- The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company do not have any transactions with companies struck off.
- The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- The Company have not traded or invested in Crypto currency or Virtual Currency during the reporting period.
- The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries).
- The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- The Company is not declared wilful defaulter by any bank or financial institution or government or any government authority.
- The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current year or previous year.

As per our report of even date attached

For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm Registration No.: 001076N/N500013

Rahul Kool  
Partner  
Membership No.425393

Place: DELHI  
Date: 28 May, 2024



For and on behalf of Board of Directors of  
Maxcure Nutravedics Limited

K.D. Sharma  
Director  
DIN: 02742552

Place: Haridwar  
Date: 28 May 2024

Kohitaswa  
Director  
DIN: 06724730